

<b>Portfolio Manager</b>	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
<b>Sector</b>	Worldwide Asset Allocation Flexible
<b>Inception Date</b>	3 April 2003
<b>Fund Size</b>	R1.2 billion
<b>Benchmark</b>	Inflation (CPI) + 8%
<b>Min. Investment</b>	R250,000 initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class A)</b>	1% annual fee excl. VAT
<b>Hurdle Rate</b>	CPI + 8%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Total Expense Ratio</b>	2.28%
<b>Income Declarations</b>	31 March ,30 June, 30 September, 31 December
<b>Regulation 28</b>	Does not comply

### About the Fund

The RE:CM Global Flexible Fund is a rand denominated worldwide balanced fund that may invest in equities, bonds, property, cash and offshore assets. Funds are shifted between various asset classes to take advantage of areas of value.

### Fund Objective

The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

### Risk Measures

We look at risk in terms of losing money, not in terms of volatility. Our main risk management tool is our investment philosophy. As value investors, we aim to buy and hold good quality companies and do so with a margin of safety. Our ability to move between asset classes assists in reducing the risk in the fund.

## RISK STATISTICS AND PORTFOLIO DETAIL

### FUND PROFILE

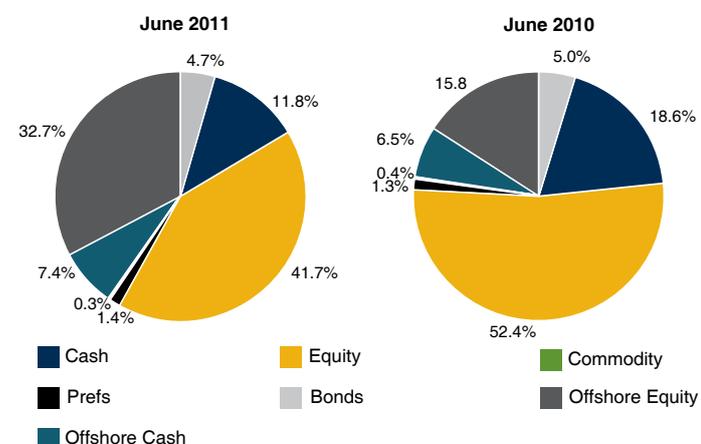


• This fund has a moderate risk profile

### TOP HOLDINGS (%)

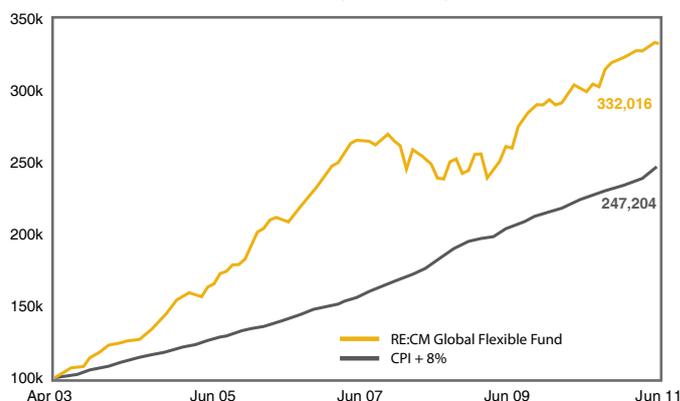
June 2011		June 2010	
Sun International	5.8	Sun International	4.7
Johnson & Johnson	4.8	Discovery	4.4
Harmony Gold	3.5	Telkom	3.4
Telkom	3.2	Harmony Gold	2.9
Discovery	2.9	Pick n Pay	2.9
BP	2.6	Remgro	2.8
Tiger Brands	2.6	Metropolitan	2.8
Tokyo Gas	2.5	Adcock Ingram	2.8
Wal-Mart Stores Inc	2.5	Imperial	2.7
Amplats	2.4	Old Mutual	2.6

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END JUNE 2011 (%)

	Fund	Benchmark
1 Year	11.0%	12.9%
3 Years	11.5%	14.0%
5 Years	9.7%	14.9%
Since Inception	15.8%	13.9%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst, Datastream.
- Periods greater than 1 year are annualised
- Inception Date, 3 April 2003

### INVESTMENT COMMENT

Following a veritable drought of sensible investable ideas in the South African market over the past 18 months or so, Mrs. Market has been kind enough to offer an investment opportunity in the platinum sector, making Amplats our largest purchase of late.

The investment case is that it is a high quality business with superb economics over many decades and that it got cheap enough on an absolute basis to successfully compete for your fund capital. We think the business cycle is still on the mid to high side but it meets our criteria for being unpopular. Linking this to the real world out there, we think that management at Amplats have over-promised and under-delivered on production volume growth over the past 10 years. This means we can understand why it would be unpopular, which is an important aspect of the way we think about statistics – the numbers are the numbers, but they also have to make sense.

The combination of quality, cheapness (margin of safety), a fairly high point in the business cycle and unpopularity calls for a reasonably average sized at cost position in our domestic capital pool. If the business cycle deteriorates much from this point on our investment process would call for a bigger exposure, to which we would expect to oblige.